



Request for Proposal

**Enterprise Resource Planning Systems for
Municipal Government**

Issued by the City of Sedona, Arizona

**102 Roadrunner Drive
Sedona, AZ 86336**

Submittal Deadline: August 19, 2011

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I. Preface

The City of Sedona, Arizona, invites qualified vendors to submit responses to its Request for Proposal (RFP) to furnish an Enterprise Resource Planning system for Municipal Government Financial and Operations Management. At a minimum, **a vendor should have been in business as a provider of municipal government management systems for a minimum of five years, and meet other requirements as explained below.**

This Request for Proposal (RFP) is part of a procurement process that helps us serve the City of Sedona's best interests. It provides a formal and unrestricted opportunity for the City to consider the services of responding vendors. The process being used in this case should not be confused with the process of competitive sealed bidding. The latter process is usually used where the goods and services being procured can be precisely described and price is generally the determining factor. With a Request for Proposal and competitive negotiation, price is not required to be the determining factor, although it may be, and the City of Sedona has the flexibility to negotiate with one or more vendors to arrive at a mutually beneficial relationship.

This RFP is broken into specific sections, which set out various requirements and itemized needs to be addressed by the vendor in its proposal. The specific sections are:

- I. Preface
- II. Background Information
- III. Formal Submission Instructions
- IV. Format of the Submitted Proposal
- V. Needs and Requirements
- VI. Evaluation Criteria
- VII. Terms and Conditions of the Proposed Contract

There are 5 (five) separate documents that, together, make up the entire "Request for Proposal". These documents are:

- 1. This RFP document – Responses should be submitted in a separate document referencing the specific section, paragraph, or item number
- 2. Attachment "A" Cover – Cover sheet and instructions for completing attachment A, Mandatory Requirements
- 3. Attachment "A" – Responses should be entered into this document and returned as part of the proposal
- 4. Attachment "B" Cover – Cover sheet and instructions for completing attachment B, Desired Features & Functionality
- 5. Attachment "B" – Responses should be entered into this document and

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returned as part of the proposal

II. Background Information

The City of Sedona is located in northern Arizona approximately 120 miles north of Phoenix and 30 miles south of Flagstaff. Sedona was incorporated in 1988 and is one of Arizona's premier tourism, recreation, resort, retirement, and art centers, all of which contribute to its economic base. The average population of Sedona, including full time and seasonal residents, is approximately 10,000 with an average age of 50. The City hosts 2 to 4 million visitors per year.

The City operates under a Council-Manager form of government in which the City Manager serves as the Chief Executive Officer. The City employs approximately 125 full-time, part-time and seasonal employees. City administration is divided into the following departments:

City Council	Office of the City Manager
Office of the City Attorney	Information Technology
Human Resources	Finance
Public Works	Municipal Court
Community Development	Police
Office of the City Clerk	Arts & Culture
Wastewater	Recreation

The Wastewater Department operates as an enterprise fund but comes under the operational umbrella of the Public Works Department.

The City has recognized the need to replace the existing fund accounting software system, Caselle Classic, with a more robust, integrated solution that incorporates public sector best practices, facilitates the sharing of data, provides greater ease of use, and includes improved reporting capabilities. Key business issues with the current system include:

- Inadequate and/or manual GL system/financial reports
- No ability to utilize software for departmental budgeting and reporting
- Lack of controls, ability to conceal utility information for Federal Red Flags Rule
- Absence of an automated requisition/purchase order system
- Inadequate security to separate duties for internal control purposes
- Manual fleet maintenance scheduling, tracking, and monitoring systems
- Manual fleet inventory tracking processes
- Difficult to monitor in service/out of service fleet vehicles
- Absence of good project costing mechanism for bond projects and grants

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- Absence of computerized signature and workflow technology, specifically in the area of procurement
- Inadequate inventory control capabilities
- Lack of real time data information for multiple users
- Manual data entry of Adopted Budget and revisions into General Ledger

The City's primary goal with this RFP is to implement a software solution that will enable the organization to meet the needs of a rapidly growing community, while keeping future costs as low as possible. Since the chosen system will integrate every area of the organization, it is imperative that the City selects a product that can streamline processes and facilitate accurate, timely, and transparent reporting, while keeping manual processes and related administrative labor costs to a minimum.

The vendor will be required to work closely with the City's Information Technology Department in assuring that the hardware and software proposed are compatible with existing systems and will in no way compromise the integrity, reliability or security of the City's computing infrastructure.

For more information about the City of Sedona, visit www.sedonaaz.gov.

III. Formal Submission Instructions

A. Proposals must be received by **Friday, August 19, 2011 at 5:00 P.M. Mountain Standard Time, mailed to:**

City of Sedona
ATTN: IT
102 Roadrunner Drive
Sedona, AZ 86336

Envelopes must be clearly marked on the outside as "ERP for Municipal Government RFP Response". Include five (5) copies, unbound, and a CD or DVD with electronic versions of your response. Brevity is appreciated – responses should be no more than 100 pages (50 two-sided printed pages) including any documents requested as part of this RFP.

The response will describe your firm's approach to furnishing a robust Enterprise Resource Planning system for the City of Sedona, including descriptions of the features and functions that address operational needs as well as the technical infrastructure required to support the system. The proposal shall also include an itemized cost proposal for the scope of the services and deliverables required by this RFP. At a minimum, the cost proposal will include itemized cost data for system installation and implementation, data conversion, software licenses,

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consulting, system testing, documentation, and training. Any cost not accounted for in these categories that would be part of your solution must be included in your cost proposal. The cost proposal should itemize any expenses related to travel, lodging and per-diem. Statements such as “*travel related expenses will be billed at our current . . .*” may not be considered responsive to our request for complete cost information. Payment terms will be negotiated and be based on performance. Under no condition will payments be made prior to delivery of any services or products to be furnished.

B. The proposal must be signed and dated by an individual authorized to enter into a binding agreement in the name of the vendor. Late proposals will not be accepted unless circumstances were beyond the control of the vendor. Not allowing sufficient delivery time is not an acceptable reason for a late response.

C. The proposal should be presented in a format that can easily be incorporated into a contract between the vendor and the City of Sedona encompassing the guidelines detailed in this RFP.

D. The City reserves the rights to reject any and all proposals, waive any informality in the proposals received, and accept any proposal that in its opinion may be in the best interest of the City. The City does not obligate itself to accept the lowest price or any other proposal and reserves the right to further mutual negotiation with the successful bidder for multiple terms including the option to provide a “piggyback” contract with another local public entity.

E. A contract resulting from this RFP may be extended for use by the members of the members of S.A.V.E. (Strategic Alliance for Volume Expenditures), which consists of numerous municipalities, counties, universities, colleges, school Citys and other Arizona State agencies (See list of S.A.V.E. members below). These cooperatives are achieved through Intergovernmental Agreements (IGA) in accordance with provisions allowed by A.R.S. §11-952 and §41-2632. The IGAs permit purchases of material, equipment and services from Proposers at the prices, terms and conditions contained in contracts originated between any and all of these agencies and the Proposer(s) contract, as awarded.

Is your firm willing to offer the goods and services solicited under the terms and conditions of this solicitation to other members of S.A.V.E. under the same pricing, terms and conditions?

_____ Yes _____ No _____ N/A

F. Questions or requests for interpretation or clarification must be in writing and sent via fax to (928) 203-5084 or via e-mail to JSmith@SedonaAZ.gov. All

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questions received become a part of this RFP and will be posted as addenda on the City's website. All questions must be received at least 5 business days prior to the close of this RFP.

IV. Format of the Submitted Proposal

Please respond by referencing the numbering scheme used in this RFP

A. The Technical Proposal

1. The Organization

- a. Name and address of your organization
- b. The name of the person or persons that the City should contact for questions and clarifications concerning your company's proposal. Include phone number, fax number, and e-mail address.
- c. A brief history of the organization to include the total number of years your firm has been in the business of furnishing products and services as requested in this RFP.
- d. The firm's current Dun and Bradstreet (or equivalent) rating.
- e. Organizational structure of the firm including subsidiaries, partnerships, or parent firm. Include the total number of full-time employees in the organization, the number of employees devoted to software development, and the number devoted to customer/technical support.
- f. Listing of office locations. Specifically note the location of the office that would be responsible for providing technical support and their hours of operation.
- g. A listing of personnel in your firm who could potentially be assigned to perform the proposed contract with their certifications qualifications, and experience.
- h. An explanation of your organization's customer support offerings and problem resolution procedures. Include a description of available support packages or levels (gold, silver, etc.), support hours by time zone, guaranteed response times, support methods (phone, e-mail, web), etc. If third party organizations will be involved in the implementation or support of the proposed solution, clearly delineate their rolls, responsibilities, and relationship to your organization and your customers.
- i. Include a list and explanation of any outstanding litigation regarding the solution being offered.

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2. References and Customers

- a. Provide a representative listing of references that the City of Sedona can contact. Please include references where the firm has performed and completed engagements similar to this RFP, preferably for local governments, and a brief description of the solution provided. Provide at least three references, preferably five, including the length of the relationship you have had with each and contact information.
- b. List all clients who are governmental agencies in the State of Arizona.
- c. List all clients who are local governments of similar size (i.e. 150 to 200 employees serving a population of approximately 10,000 to 50,000), and serve a large annual tourism industry.

3. Technical Requirements

- a. Provide a specific affirmative response, with additional detailed information where appropriate, to each of the mandatory requirements set out in section V. A. Failure to respond positively to any of the Mandatory items may eliminate your proposal from further consideration.
- b. Provide a specific response to each of the desirable, non-mandatory requirements set out in section V. B.
- c. Specify the minimum, recommended, and optimal hardware and software configurations required to support the proposed solution. Include a detailed list of information, space, equipment, staff, or other resources needed by the vendor to complete this project and the extent the vendor expects the City of Sedona to provide such resources.
- d. Provide a description of your implementation methodology, specifically as it relates to unit testing and system acceptance.
- e. Include any other information that would assist the City of Sedona in evaluating your company's experience and ability to furnish the requirements of this RFP.
- f. A signature and title of an officer or other individual of your firm authorized to enter into contracts on the firm's behalf.

B. The Cost Proposal

All costs must be included in your response. Include only the LOWEST POSSIBLE COST your organization is capable of offering.

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1. A description of the cost of the software application(s) being proposed
2. A description of any recurring fees for use, access or administration of the software being proposed
3. A description of the licensing model utilized to determine pricing, i.e. server based, named users, concurrent users, size of community served, etc.
4. A description of the travel expenses and associated lodging, meal, or per diem costs for any of the organization's staff who will be assigned to work in Sedona
5. A description of any training expenses require for implementation and startup, assuming all training is conducted in the City of Sedona. If web-based or on-line training is proposed, include an explanation of the training process and reasons why it is equivalent or superior to on-site training.
6. A description of your on-going operational training offerings and associated costs. Include instructor lead training, on-line training, self-paced training, user groups or conferences, etc.
7. A description of the cost for any *specialized* hardware or equipment required in the proposal and the length and type of any warranty on the equipment. Separately state the cost per year of extending the original warranty. DO NOT include the cost of basic, commodity PC workstations or servers. Assume that these workstations or servers are already in place, or will be provided by the City. Separately state any installation costs associated with specialized equipment listed in item B.2 above. Identify whether installation by the City of Sedona is allowed (will self installation void a warranty?) or if authorized installation is required.
8. A description of the costs associated with data conversion and migration from existing financial and community development systems, specifically Caselle Classic version 2.16 Microsoft Access Databases and MSGovern (formerly Municipal Software) CityView Microsoft SQL Server Databases.
9. A description of the costs associated with integration of your proposed solution with external data sources such as Xpress Bill Pay on-line credit-card processing and ADP Human Resources and Payroll processing services.
10. Section VII. D. stipulates that all subcontractors must be approved by the City of Sedona. Please include contact information for any subcontractors and the portion of your proposal that could be assigned to them. For example, "Training will be performed by XYZ Company", "Software configuration is to be provided by ABC, Inc.", etc.
11. A description of any licensing, maintenance, or support fees associated with any software included in the proposal. Include a list of items that would be covered in the maintenance agreement. Any additional costs or constraints

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on the proposed licenses should be clearly stated.

12. Detail any additional costs required to implementation the proposed solution that are not described above.
13. Summarize and total costs as follows:
 - a. Total costs for the first year. This is to include all original one-time costs as well as the “first year” costs of any ongoing annual costs
 - b. Total costs for a 3-year period. This is to include all original one-time costs as well as ongoing annual costs. This should include any estimated “future” needs or increases in annual maintenance or support.
 - c. Total costs for a 5-year period. This is to include all original one-time costs as well as ongoing annual costs. This should include any estimated “future” needs or increases in annual maintenance or support.
 - d. Total costs for a 7-year period. This is to include all original one-time costs as well as ongoing annual costs. This should include any estimated “future” needs or increases in annual maintenance or support.
14. A signature and title of an officer or other individual of your firm authorized to enter into contracts.
15. The City of Sedona is not responsible for any cost a vendor may incur in responding to this RFP.

V. Needs and Requirements

A. Mandatory Requirements

The system must be capable of providing all features and functionality listed in section V. A. Failure to respond positively to any of these mandatory items may eliminate the proposal from further consideration.

See Attachment “A” for the complete list of Mandatory Requirements

B. Desired Features & Functionality

The City is interested in expanding the use of the selected solution in the future to include the features and functionality described in section V. B. Failure to respond positively to any of these desired items will not eliminate the proposal from further consideration.

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However greater weight may be given to those proposals that are able to provide these additional features.

See Attachment “B” for the complete list of Desired Features & Functionality

VI. Evaluation Criteria

In making its selection, the City of Sedona will not only consider cost but will evaluate proposals to determine the best combination of attributes that, in the opinion of the City, provide the optimal solution. Consideration will be given to the following criteria:

- Vendor’s Qualifications and Experience
- Client References
- Operational Fit of the Proposed Solution
- Technical Merits of the Proposed Solution
- Cost Proposal
- Other factors as deemed appropriate by the City

As part of the evaluation process, your firm may be requested to present its proposal before the City’s selection committee at the City of Sedona, and also to demonstrate the system before a group of end users. Any information gained during the presentation(s) may be used in the evaluation of your proposal. Such presentations are to consist of current, unmodified, generally available programs and may not include any “beta” versions, future releases or upcoming features. In addition, presentations may not include any PowerPoint presentations, slide shows, screen shots or other simulated software functionality. Failure to honor this request may be grounds for rejection of your proposal without further consideration. The City is under no obligation or requirement to request vendor presentations.

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VII. Terms and Conditions of Proposed Contract

Provide, as a part of your RFP response, a copy of your standard software license agreement, your software consulting agreement (if applicable), and your software maintenance and support agreement.

- A. The contractor will defend at the contractor's expense, indemnify and hold harmless the City of Sedona, its officials, employees, agents, servants, representatives and assigns from and against any and all liability damages, losses, expenses, claims, demands, suits, actions, judgments, bodily injuries or sicknesses to any person, or damage, destruction or loss of use of any property arising out of or related to the services provided by the contractor or caused by the contractor's negligence or from any operation conducted by the contractor in rendering service to the City of Sedona.
- B. The Contractor will be required to provide certificates of insurance showing that it carries, or has in force, automobile liability insurance, general liability insurance, professional liability insurance and workers' compensation insurance. Limits of liability for automobile liability insurance shall be, at a minimum, \$1,000,000.00 combined single limit. Limits of liability for general liability insurance shall be, at a minimum, \$1,000,000.00 per occurrence, \$1,000,000.00 personal and advertising injury, \$1,000,000.00 general aggregate and \$1,000,000.00 products/completed operations aggregate. General liability insurance will include coverage for contractually assumed liability. Limits of liability for professional liability shall be, at a minimum, \$1,000,000.00 per occurrence or claim and \$1,000,000.00 aggregate. If general liability coverage and/or professional liability coverage is on a claims-made basis, the Contractor will maintain coverage in force for a period of two (2) years following completion of the work specified in the agreement. Workers' compensation insurance shall provide statutory workers' compensation coverage and employers' liability coverage with limits of, at a minimum, \$500,000.00 each accident, \$500,000.00 disease- each employee and \$500,000.00 accident, \$500,000.00 disease – policy limit.
- a. The certificate of insurance shall provide the City of Sedona, Arizona (City) with thirty (30) days written notice of cancellation of any of the coverage areas named in said certificate.
 - b. The City will be named as additional insured under the Contractor's general liability insurance and automobile insurance policies.
 - c. The Contractor shall require certificates of insurance from subcontractors. Subcontractors will carry limits of insurance equal to or greater than those carried by the Contractor. These

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certificates shall evidence waivers of subrogation in favor of the Contractor and the City, and shall be made available to the City upon request.

- C. The vendor is an independent contractor and will not, under any circumstances, be considered an employee, servant or agent of the City of Sedona. Neither the contractor nor its employees have any authority to bind the City in any respect.
- D. Work assigned under the terms of this request for proposal cannot be reassigned, transferred or subcontracted without prior written approval of the City of Sedona.
- E. The term (length) of this contract will be determined after review of all vendor submissions and after a potential vendor is selected.
- F. The Contractor shall maintain documentation for all charges against the City of Sedona under this contract. The books, records and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period as required by law, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the City of Sedona. These records shall be maintained in accordance with generally accepted accounting principles.
- G. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Arizona state constitutional and/or statutory law shall be excluded from participation in, or be denied benefit of, or be otherwise subjected to discrimination in the performance of this Contract. The Contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to all employees and applicants, notice of non-discrimination.
- H. The Contractor will be required to obtain a City of Sedona business license in order to conduct business in the City of Sedona.
- I. The City of Sedona shall have no liability except as specifically provided in this Contract.
- J. The Contractor shall comply with all applicable Federal and State laws and regulations in the performance of this Contract.
- K. This Contract shall be governed by the laws of the State of Arizona.
- L. The Contract may be cancelled with thirty (30) days written notice by either party.
- M. Although highly discouraged by the City of Sedona, any agreement, if required, such as a non-disclosure agreement or other information that the City of Sedona must agree to must be received with your proposal response.

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If a proposal contains supplemental terms and conditions the City of Sedona, at its sole discretion, may determine the proposal to be a non-responsive counter offer and the proposal may be rejected.

- N. Right to Negotiate: Upon evaluation of the RFP response, the City of Sedona has the right to enter into negotiations with multiple vendors and not necessarily the vendor or vendors with the lowest cost submission. Negotiations could include, but not be limited to, price, functionality requirements, terms and conditions. However, issues may arise that the City of Sedona may not negotiate due to state fiscal policies, state laws or City of Sedona policies and an impasse could arise. If for any reason a vendor and the City of Sedona cannot arrive at a mutual agreement, the City of Sedona reserves the right to terminate negotiations, reject the proposal and to continue negotiations with other responsive vendors.
- O. Contract Award: The City of Sedona reserves the right to issue any resulting contract/order to the firm whose proposal in the City of Sedona's judgment most nearly conforms to the City of Sedona requirements and best serves the needs of the City of Sedona. The City of Sedona reserves the right to award a contract to other than the lowest cost vendor if the interests of the City of Sedona are best served. The City of Sedona reserves the right to waive all technicalities in selecting or rejecting any or all proposals that satisfy or fail to satisfy respectively, the City of Sedona's best interest.
- P. Penalty Schedule
 - a. If, through no fault of the City of Sedona, full functionality of a proposed solution is not achieved within the project deadline, vendor will reduce total cost of project by 5%, with an additional 5% cost reduction for each 30-day delay thereafter, which is not the fault of the City of Sedona.
 - b. Time lines will be reviewed at pre-determined project milestones.
 - c. The City of Sedona will not be responsible for any reasonable cost that should have been disclosed in section IV. B. and was not disclosed in the response to this RFP.
- Q. Software Escrow Agreement: If software is included in the vendor's response, the vendor will provide an escrow agreement whereby the firm will make available to the City of Sedona all program source codes for software in the event of noncompliance by failure, firm ceases to exist, firm drops the product, or firm ceases to support the product.
- R. Interpretations and Addenda: If during the RFP submission period, a firm finds discrepancies, ambiguities, omissions, or is in doubt as to the meaning or intent of the proposal request, the City of Sedona should be notified a minimum of 5 days before the close date. No request for interpretation or clarification will be received or answered after 5 days before the close date.

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The City of Sedona will not be responsible for oral interpretations or instructions during the proposal request period. All requests and responses will be written and may be shared with any or all other RFP respondents. All addenda are incorporated by reference into the contract. Failure of any respondent to receive any addenda will not relieve the respondent of any obligation with respect to the proposal.